

No. 21160 ✓

IN THE

United States Court of Appeals
FOR THE NINTH CIRCUIT

CERAMIC TILERS SUPPLY, INC., a corporation,

Appellant,

vs.

TILE COUNCIL OF AMERICA, INC., a corporation,

Appellee.

APPELLANT'S OPENING BRIEF.

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Jurisdictional Statement.

The action in the United States District Court, then for the Southern District of California, Central Division, was brought under the patent laws of the United States by the plaintiff-appellee, Tile Council of America, Inc., charging infringement of United States Letters Patents 2,934,932 and 2,990,382 by defendant-appellant, Ceramic Tilers Supply, Inc., Jurisdiction in the District Court is founded upon Title 28 of the United States Code Section 1338(a) and Section 1400-(b). This Court has jurisdiction to review the judgment entered by the District Court, by virtue of Title 28 of the United States Code, Section 1291 and Section 1294. The Complaint [R. 2] sets forth the basis for the District Court's jurisdiction, and the Answer [R. 6] admits that the cause of action of the Complaint is laid under the Patent Laws of the United States. From the District Court's entry of judgment in favor of the plaintiff, the defendant appeals [R. 169].

Introduction.

An essential issue is the validity of patent rights covering mortar mixes that are useful for grouting and setting tile, laying masonry, stuccoing and plastering. The patented combinations of ingredients were described in prior patents in proportions within the ranges of the asserted claims. However, the claims do more-precisely specify certain ingredients *with regard to type and grade*. The particularly-specified ingredients perform the precise function accomplished by the identical “ungraded” ingredients of prior mortars.

“Selection from among available materials of one material thought more suitable for a particular use is normally within the competence of the person of ordinary skill in the art, and, generally, is for that reason not patentable. Nothing is added to the sum of public knowledge when a known material is used to perform functions or produce results which could be reasonably foreseen from the material’s known characteristics. As in the case of other combinations of ideas drawn from existing knowledge, the old elements, including the known material in the new use, must perform additional and different functions in the combination than out of it; the results must be unusual and surprising—.”

Griffith Rubber Mills v. Hoffar (9th Cir., 1963), 313 F. 2d 1, 3; 136 U.S.P.Q. 334, 337.

Statement of the Case.

This is an appeal from a suit charging the infringement of two patents covering mortar mixes (patents 2,934,932 and 2,990,382). The mortar mixes contain well-known dry ingredients that are simply stirred together, then combined with water to provide a workable mortar as for plastering, tile work, stucco and so on. Specifically, the essential ingredients of the patented mortars are:

cement, as Portland and other hydraulic cements which harden by action with water [Tr. 340];

polyvinyl acetate, a widely used substance well-known commercially as “Wilhold” glue [Tr. 422-423];

aggregate, or inert cement additive, in the form of sand or limestone [Tr. 63];

Methylcellulose, one of the cellulose gums commercially available from the Dow Chemical Company in the United States since the 1920's [Tr. 222-223].

Plaintiff-appellee, Tile Council of America, Inc., hereafter called the “Council”, is a corporation organized to further the interests of American tile manufacturers [Tr. 28], and is supported by assessment of its members, who comprise a major portion of the tile manufacturers [Tr. 29] in this country. Defendant-appellant, Ceramic Tilers Supply, Inc., hereafter called simply “Tilers Supply”, manufactures and sells various masonry supplies to the trade, including prepared, dry mortar mixes.

The Council accused Tilers Supply of producing several mortar mixes that infringed patents 2,934,932 and 2,990,382 [R. 2, Complaint]. Tilers Supply challenged the validity of both patents as lacking invention and also contended that none of the accused mortar mixes infringed either of the patents [R. 6, Answer].

The asserted claims are straightforward and simple. For example, the scope of asserted patent 2,934,932 is exemplified by Claim 1 thereof, which is comparable with exemplary prior art as follows:

Range of mortar mixes defined by Claim 1—Patent 2,934,932

<u>Ingredient</u>	<u>Percentage by Weight</u>
Portland cement	24.8 to 89.8%
methylcellulose (10 to 7000 CPS grade)	0.2 to 6.5%
sand or powdered limestone	10 to 75 %

Prior art recipe from Exhibit J (Spillmann patent) as interpreted by the Council's expert [Tr. 1381].

<u>Ingredient</u>	<u>Percentage by Weight</u>
Portland Cement	57.7%
methylcellulose	.3%
sand	15.4%
chalk	17.3%
	<u>32.7%</u>
	32.7%

The other claims of patent 2,934,932 are directed to variations of mortar mixes and to processes of actually using the mortars to install tile.

The scope of the second patent 2,990,382 asserted in the suit is exemplified by Claim 1 thereof along with another chart of a prior-art recipe, as follows:

Range of mortar mixes defined by Claim 1 of Patent 2,990,382.

<u>Ingredient</u>	<u>Weight in Relation to Percent of Cement</u>
hydraulic cement	100 parts as a basis
methylcellulose (80 to 600 CPS grade)	0.25 to 6%
re-emulsifiable polyvinyl acetate	1 to 11%

Prior art recipe from Exhibit J (Spillmann patent) as interpreted by the Council's expert [Tr. 1382].

<u>Ingredient</u>	<u>Weight in Relation to Percent of Cement</u>
cement	100 parts as a basis
methylcellulose	.6%
polyvinyl acetate	5.9%

Other claims of the patent 2,990,382 are directed to variations of the mortar mix of Claim 1 and to the process of mixing dry, mortar ingredients preliminary to adding water.

Considering all differences, patent 2,934,932 claims a mortar mix in which one ingredient is *sand or powdered limestone*. As one possible point of difference, the prior art recipe [Ex. J] calls for *chalk* rather than the *limestone* of the patent claim. As one further technical point of difference, the claims of patent 2,990,382 specify that the polyvinyl acetate used in mortars thereof shall be "reemulsifiable", while the prior-art recipe [Ex. J] simply specifies "poly-

vinyl acetate". Physically, "*reemulsifiable* polyvinyl acetate" is a powdered form of the substance which when added to water is suspended forming a liquid, that in some applications is indistinguishable from liquid polyvinyl acetate [Tr. 815].

The claims of each patent also specify that the methylcellulose in the mortar mixes shall be within a certain range of grades. The claims of patent 2,934,932, for example, specify that the methylcellulose shall be between 10 to 7000 centipoise viscosity grade. As the prior-art recipe [Ex. J] does not specify the grade of methylcellulose to be used, another point of difference exists between the prior art and the patent.

This characteristic or grade of the methylcellulose relates to its ability to thicken water, and may be simply explained by considering an example. The addition of methylcellulose increases the viscosity of water, and as more is added, the mixture eventually becomes like molasses [Tr. 189-190]. As two-percent solutions are a standard, if two parts of *400 centipoise grade* methylcellulose is combined with 98 parts of water, the resulting solution is *400 times* as viscous or thick as water [Tr. 103].

The District Court did not consider these points of difference or even refer to the prior art of Exhibit J. Rather, in general the Court found significant differences between the patented mortar mixes and "conventional" mortar mixes which were in widespread use at the time the patents were applied for, and remain in widespread use. On that basis the Court held the patents valid [R. 137, Finds. 10-24].

The mortar mixes manufactured by Tilers Supply contained hydroxypropyl methylcellulose (or methyl-

hydroxypropyl-cellulose) rather than methylcellulose as specified in the patent claims [R. 88, Pre-Trial Order, Ex. 15]. Furthermore, some of the measured quantities in Tilers Supply mixes were slightly outside the limits defined by the patent claims. However, the District Court ruled that the mortars infringed certain of the claims, drawing support from a finding that Tilers Supply had copied its formulas from the Council [R. 143, Find. 33]. That finding is not supported by the evidence and therefore, *is in total dispute* in this appeal.

Tilers Supply also challenged the validity of patent 2,934,932 as having been procured as a result of false and misleading statements made to the United States Patent Office [R. 112, Pre-Trial Conference Order, Law Issue No. 6]. The District Court's opinion was totally silent on this most important issue of willful fraud on the Patent Office, although the statements are fully of record in the file history of patent 2,934,932, Exhibit AB.

1. Questions Presented.

The following basic questions are now before this Court:

1. Whether the "prior art" for determining the existence of an invention shall be conventional practices and materials in widespread use at the time when an alleged invention is made, or alternatively shall include all patents and printed publications existing more than one year prior to the time when the application is filed for a patent on the alleged invention.
2. Whether a patent for a combination of ingredients may be sustained as valid, on the basis

that the difference between the patented subject matter and the prior-art resides in specifying well-known grades of prior-art ingredients which accomplish no new or unexpected results.

3. Whether successful commercial exploitation by a patent owner, of products described in prior publications, is sufficient to uphold the validity of his patent.
4. Whether specifying: a “substance selected from the group consisting of sand and *limestone*” as one ingredient in a claimed mortar mix, patentably distinguishes a prior-art mix wherein that substance consists of nearly equal portions of sand and *chalk*.
5. Whether specifying: “methylcellulose of 10 to 7000 centipoise viscosity grade” as an ingredient in a claimed mortar mix patentably distinguishes a prior-art mortar mix simply calling for “methylcellulose”.
6. Whether specifying: “reemulsifiable polyvinyl acetate” as an ingredient of a claimed mortar mix patentably distinguishes a prior art, mortar mix simply calling for “polyvinyl acetate”.
7. Whether the doctrine of equivalents may be applied to broaden the scope of a patent monopoly to dominate mortar mixes containing a substitute ingredient, which mixes were described in publications prior to the patent.
8. Whether “hydroxypropyl methylcellulose” is the legal equivalent of methylcellulose in the mortar mixes claimed in United States Patents 2,934,932 and 2,990,382 with respect to resolving questions of patent infringement.

9. Whether a patent is procured by intentional fraud if, in order to establish patentability, an applicant first tells the Patent Office that the alleged invention is novel because of the *omission of a certain ingredient*; then a year later the applicant tells the Patent Office that the alleged invention is novel by reason of the *inclusion of that identical ingredient*.
10. Whether the validity of a patent for a mortar mix can be sustained when the only difference between the patented mortar mix and a prior mortar mix is that, some of the prior-art mix ingredients are in different forms.
11. Whether or not the patent 2,934,932 is valid.
12. Whether or not the patent 2,990,382 is valid.
13. Whether or not any of the accused mortar mixes infringe patent 2,934,932.
14. Whether or not any of the accused mortar mixes infringe patent 2,990,382.
15. Whether there is any basis in law or in fact in this case for instructing a Master to recommend whether or not damages shall be increased.

2. False and Misleading Statements Issue.

Tilers Supply respectfully requests a definitive pronouncement by this Court (regardless of whether it reverses on other grounds or not) on the question of law presented below as to whether or not false and misleading statements were made to the Patent Office of the United States in the procurement of patent 2,934,932, as manifest in the prosecution file history [Ex. AB]. The question is the legal issue of whether the Council in the action below was enforcing the pat-

ent 2,934,932, with the knowledge that the patent had been fraudulently obtained by material misrepresentations of fact to the United States Patent Office. A definitive ruling on this issue of law [R. 111, Pre-Trial Conference Order, Issue of Law No. 6] is submitted as very significant to the final adjudication of this case, regardless of whether or not the patents herein are adjudged invalid on other grounds, or the accused mortar mixes are adjudged non-infringing.

Specification of Errors.

1. The District Court erred in upholding the validity of patents 2,934,932 and 2,990,382 by considering only *conventional* mortars and techniques as widely used in the tile industry as the prior art for the patents.
2. The District Court erred in relying to some degree on the doctrine of “commercial success” to hold patents 2,934,932 and 2,990,382 valid, when prior publications and patents clearly anticipate the patents in suit.
3. The District Court erred in relying on the Council’s chemical patent expert to establish the standard for determining patentability rather than to consider the ability of a person having ordinary skill in the art to which the asserted patents 2,934,932 and 2,990,382 pertain.
4. The District Court erred in making an *unsupported* finding that Tilers Supply had copied from the Council.
5. The District Court erred in failing to find the existence of material misrepresentations to the

Patent Office amounting to fraud in the prosecution of patent 2,934,932, as clearly manifest in the prosecution file history of that patent.

6. The District Court erred in ruling that the specific cellulose gum, identified as “methylcellulose” is legally equivalent to the prior-art “hydroxypropyl methylcellulose” as used in mortar mixes.
7. The District Court erred in totally failing to recognize the accused mortar mixes as recipes of the prior art rather than mixes of the asserted patents 2,934,932 and 2,990,382.
8. The District Court erred in issuing an injunction on the basis of patents 2,934,932 and 2,990,382 awarding costs to the Council, and granting damages.
9. The District Court erred in instructing a Master to recommend whether or not damages should be increased, as no evidence exists to support that instruction at law.
10. The District Court erred in finding either of the patents 2,934,932 or 2,990,382 valid.
11. The District Court erred in finding either of the patents 2,934,932 or 2,990,382 infringed.

Summary of Argument.

The only difference between the patented mortar mixes and recipes of the prior art, is that the patent claims specify certain ingredients to be of a *particular grade* or type. However, in each instance, the graded ingredient identified in the patent claims *performs the*

identical function that the ungraded ingredient performed in prior-art recipes. Therefore, the patented mortar mixes *totally lack invention* and the patents are invalid.

As an independent consideration, the file history of patent 2,934,932 establishes material misrepresentations of fact. Initially, the applicant stated, as a fact, that in a mortar for which the patent was being sought, the *presence of limestone or the like rendered the mortar unusable!* Later, before a different Examiner, the prosecution factually stated: *limestone is a necessary ingredient of the mortar!* As both contrary statements cannot be true, one of the factual statements is necessarily *false*. The statements were made before different Examiners at different times to distinguish different prior art and for the sole *purpose of procuring a patent*. Patents procured by false and misleading statements are invalid.

The mortar mixes of both patents include “methylcellulose” as one ingredient. None of the accused mortars include “methylcellulose”. However, the accused mortars do contain an ingredient: hydroxypropyl methylcellulose, which ingredient was recognized for use in mortar recipes (with sand and cement) published well over one year prior to the applications for the patents in suit. The District Court found the ingredients “methylcellulose” and “hydroxypropyl methylcellulose” legal equivalents; however, the principle is universal that the “doctrine of equivalents” shall not be applied to recapture prior art within a patent monopoly. The accused mortars are not literally within the scope of the patents, nor can the patents properly be extended to encompass the accused mortars.

ARGUMENT.

1. Patent Number 2,934,392.

A. The Suit Patent 2,934,932 Is Anticipated by a Prior British Patent to Spillman [Ex. J].

Claim 1 of Patent 2,934,932 is exemplary of the claims and states:

1. A dry mortar composition adapted to be mixed with about 11 to 40% of its weight of water, which consists essentially of, by weight,
24.8 to 89.8% Portland cement, 0.2 to 6.5% methyl cellulose of *10 to 7000 centipoise viscosity grade* and about 10 to 75% of at least one substance selected from the group consisting of sand and powdered limestone. (Emphasis added)

The claim defines a dry mortar mix in clear and certain terms. As the claim is unambiguous, it is neither necessary nor permissible to resort to the specification. This principle is stated in *Graver Tank and Manufacturing Company, Inc. et al. v. The Linde Air Products Company*, 336 U.S. 271, 69 S. Ct. 535, 80 U.S.P.Q. 451, which has been followed by this Court in *Winslow Engineering Company v. Smith* (9th Cir. 1955), 106 U.S.P.Q. 209 and restated in *Beatty Safway Scaffold Company v. Uprights, Inc.* (9th Cir. 1962), 306 F. 2d 626, 134 U.S.P.Q. 379.

Considering the prior art that is applicable to the claim, the Court below viewed so-called “conventional” techniques, with respect to the patented mortar mixes. However, the applicable prior art is of much greater scope. Title 35 of the United States Code Section 102(b) specifically states one category of prior art

as patents of this or a *foreign country* existing more than one year prior to the date of an application for patent. A recent case states the patentee is:

“charged with knowledge of all that prior art disclosed at time of his alleged invention. irrespective of whether persons of ordinary skill in the field, or he himself, or anyone else, actually possessed such all-encompassing familiarity with prior disclosures. *Graham v. John Deere Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966); *Griffith Rubber Mills v. Hoffar*, 313 F.2d 1, 3, 136 U.S.P.Q. 334, 337 (9th Cir. 1963). This is so because the Constitution does ‘not authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to restrict free access to materials already available.’ *Graham v. John Deere Co.*” *Walker v. General Motors Corporation et al.* (C. A. 9, 1966), 362 F. 2d 56, 60; 149 U.S.P.Q. 472, 475.

Foreign patents issued prior to September 30, 1956 are clearly *prior art* to suit patent 2,934,932 and the disclosures therein are applicable to anticipate the patent. Such a patent is the British patent to Spillmann 743,952 [Ex. J] which discloses a mortar, *i.e.* a plaster, anticipatory of asserted patent 2,934,932. One mortar or plaster recipe from Exhibit J (interpreted by testimony quoted below) is as follows:

“ $\frac{1}{3}$ part by volume of a 30% aqueous suspension of finely divided polyvinylacetate which suspension is stabilized by added polyvinylalcohol, is mixed with $\frac{2}{3}$ part by volume of a 1.5% aqueous solution of methylcellulose, whereafter 2 parts by volume of a mixture formed of 4 parts

by volume of Portland cement, 1 part by volume of lime, 1 part by volume of sand (or quartz) and 1 part by volume of pulverized chalk whiting is added. . . .”

The recipe as stated gives the ingredients *by volume* while the asserted Claim 1 specifies ingredients *by weight*. The conversion from volume to weight involves a rather simple calculation which the Council’s patent expert performed. He then testified, stating the prior-art recipe of Exhibit J with the ingredients by weight, as follows:

“Q. What are the results that you get? A. Well, I can read you the results which I get in weight per cent, which is, I believe, what is desired.

Q. Yes. A. You wish me just to read the results, or to compare them with his?

Q. Let’s just take the results. A. I arrive at polyvinyl acetate 3.4 per cent, methyl cellulose .3 per cent, Portland cement 57.7 per cent, lime 5.9 per cent, sand 15.4 per cent, chalk 17.3 percent.”
[Tr. 1381]

The amounts of the ingredients Portland cement, methylcellulose, sand and chalk fall fully within the range specified by the patent claim. Only two possible questions of differences can exist:

- (1) Is “chalk” essentially the same ingredient as “limestone”?
- (2) Does a patentable distinction exist between “methylcellulose” and “methylcellulose of 10 to 7000 centipoise viscosity grade”?

On the first question, testimony by the Council's expert established "chalk" to be a form of "limestone".

"Q. As I understand your testimony, limestone may be more scientifically termed as calcium carbonate, is that correct, Dr. Lacey? A. Yes. Limestone is a naturally occurring form of calcium carbonate. It may have some impurities in it, as all natural products are likely to have. But essentially it is chemically calcium carbonate.

Q. Now, as I understand it, chalk is also a form of calcium carbonate or limestone, is that correct? A. Yes. It is a form of calcium carbonate." [Tr. 288].

Thus, it is established that "limestone" (technically termed calcium carbonate) is generic to, and includes "chalk." *Chalk is limestone!* Therefore, the prior-art recipe of Exhibit J in specifying "chalk" as an ingredient squarely meets the "limestone" ingredient of the asserted claim 1.

On the second question, the asserted claim specifies methylcellulose that is of "10 to 7000 centipoise viscosity grade." The fact is that for many years all available methylcellulose fell in that grade range. The specified grade includes the entire range of grades that were available in the United States. The general designation of "methylcellulose" in Exhibit J therefore of necessity designated one of the available grades. This fact was established by the Council's expert, Dr. Wagner, as follows:

"A. There is a 10-centipoise type. There is a 25-centipoise type. There is a 50-centipoise type. There is a 150-centipoise type; a 400-centipoise type; a

1,500-centipoise type; a 4,000; a 6,000; a 7,000; and more recently I think there have been introduced 13,000-centipoise types.” [Tr. 106].

“Q. When did methyl cellulose first become commercially available in the United States, Dr. Wagner? A. I would have to make an estimate again there. It was first made by Dow, and, as I think we mentioned, Dow is the only producer. I believe Dow first started producing it somewhere in the 1920’s, but this is just a rough estimate.

Q. Is it your testimony that methyl cellulose only recently became commercially available in the 13,000 centipoise grade and a 2 percent solution?

. . .

. . .

A. Well, on the solid material itself. I am sure that this became available at a much later date than the earlier low viscosity grades. I don’t know the exact year when the 13,000 first did come, but it was considerably later.

On the 2 percent solution, any time that you have a water soluble methyl cellulose of any viscosity type you can make not only a 2 percent solution but a number of other solutions. So it would make no difference to the 2 percent solution whether it was 13,000 or 50 centipoise.

Q. What was the highest value viscosity grade that was available before the 13,000 came out, do you recall, Dr. Wagner? A. I think it was somewhere in the neighborhood of 8 or 9,000 centipoises.

Q. And what was the lower limit available viscosities? A. The lower limit that I am aware of is a 10 or 15 centipoise methylcellulose.” [Tr. 222-223].

This testimony, by the Council’s expert establishes: that, for a period, the patent specified the entire range of available methylcellulose grades. Therefore, the grade specification was in fact meaningless to distinguish the prior art of Exhibit J. The teaching of the prior patent in specifying “methylcellulose” necessarily included one of the available grades. Therefore, the claim of the asserted patent is anticipated.

Only claims 1, 2, 5, 6, 7, 8, 9 and 10 of the asserted patent 2,934,932 have been held valid and infringed. However, all of the claims 1 through 8 have been summarized in a chart below for easy comparison with the prior art recipe of Exhibit J.

The chart illustrates that the prior-art recipe [Ex. J] falls fully within the scope of each of the ingredient ranges specified in Claims 1, 2, 4, 6, 7 and 8. Of the other claims, claim 3 has not been adjudged valid and infringed; however, claim 5 has been so held. The distinction between claim 5 and the prior-art recipe is a deviation of a 4.6% in the required quantity of sand. The inclusion of this slight additional amount of sand would be obvious to one skilled in the art and is in no manner critical to the formula. Claims 8, 9 and 10 are also here on appeal; however, these claims are directed to the process of setting tile with the mortar of claim 8.

Q. And what was the lower limit available viscosities? A. The lower limit that I am aware of is a 10 or 15 centipoise methylcellulose." [Tr. 222-223].

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Claims of Patent 2,934,932

	Recipe of Ex. J	Claim 1	Claim 2	Claim 3	Claim 4	Claim 5	Claim 6	Claim 7	Claim 8
Portland cement	57.7%	24.8-89.8%	49.8-79.8%	64.8-79.8%	39.8-89.9%	39.8-89.9%	49.8-89.8%	49.8-89.8%	24.8-89.8%
Methylcellulose	.3%	.2-6.5%	.2-6.5%	.2-6.5%	.2-6.5%	.2-6.5%	.2-6.5%	.2-6.5%	.2-6.5%
Sand	15.4%					20-50%		10-35%	
Limestone	17.3%						10-50%		
Total of Sand & Limestone	32.7%	10-75%	20-50%	20-35%	10-50%				10-75%

Recapitulating, the claims 1, 2, 5, 6, 7, 8, 9 and 10 of patent 2,934,932 are here on appeal. Of these, claims 1, 2, 6 and 7 are clearly directly anticipated under 35 U.S.C. 102(b).

“A person shall be entitled to a patent unless—

(b) the invention was *patented* or described in a printed publication in this or a *foreign country* . . ., more than one year prior to the date of the application for patent in the United States. . . .” (Emphasis added.)

The asserted claim 5 specifies a mortar that is at least 20% sand while the prior-art recipe [Ex. J] calls for only 15.4% sand. Neither the patent nor the record suggests any unexpected, unusual or new characteristics that would result from increasing the sand content from 15.4% to 20%. It is well established that rearranging portions of particular ingredients (even to produce a variance in properties) is not inventive unless new characteristics result. *Coast Metals, Inc. v. Wall Colmonoy Corp.* (9th Cir. 1963) 315 F. 2d 416, 137 U.S.P.Q. 201; *Brunswick Corporation v. Columbia Industries, Inc.* (9th Cir. 1966), 362 F 2d 172, 150 U.S.P.Q. 83. The widespread practice of using sand in cement mortars, and varying the quantities in accordance with different job requirements renders a non-critical variation of 4.6% in the sand of a mortar far, far below the established standard of invention. Claim 5 of the patent must fall as invalid along with claims 1, 2, 6 and 7.

B. The Method Claims of Patent 2,934,932 Are Invalid Because No Novel Method Steps Are Recited.

Claims 8, 9 and 10 of patent 2,934,932 are directed to a process for installing ceramic tile. The particular process employs the mortar of Claim 1 with tiles and includes the steps of:

1. covering a substrate with a bed of the mortar;
and
2. pressing dry tile into the bed.

Claim 9 of the patent is more explicit and defines that the mortar bed shall be between "1/16th and 1/4" thick. Claim 10 of the patent is also more specific and recites an additional step of placing a thin coat of the mortar on the back surfaces of the tile, prior to setting in the bed. These process steps in setting tile are old and well known in the prior art. Specifically, the process steps recited in claims 8, 9 and 10 were described in a publication sold by the Council and copyrighted in 1952, entitled "Genuine Clay Tile" [Ex. Y]. Furthermore, the Council established the process steps as prior art in admitted facts 38, 39 and 40 of the Pre-Trial Conference Order [R. 93]. Specifically,

- "38. The process of installing ceramic tile, which comprises covering a substrate with a bed of paste substance and pressing dry tile into said bed, was known or used by others in this country prior to 1956.
39. The process of installing ceramic tile, which comprises covering a substrate with a bed of paste substance to a thickness between about 1/16 and 1/4" thick, and pressing dry tile

into said bed, was known and used by others in this country prior to 1956.

40. The process of installing ceramic tile, which comprises covering a substrate with a bed of paste substance, giving the back surfaces of the tile a thin coat of said substance, and pressing the tile into said bed was known and used by others in this country prior to 1956.”

The absence of novel process steps strips a process claim of novelty and validity. As restated in *Kemart Corporation v. Printing Arts Research Laboratories, Inc.* (9th Cir. 1953), 201 F. 2d 624, 629, 96 U.S.P.Q. 159,

“The test of identity of processes (*in determining novelty*) is not the apparatus used for carrying them out but whether they involve identical or equivalent steps.” (Italics added) *Celite Corporation v. Dicalite Co.* (9th Cir. 1938), 96 F. 2d 242, 248.

Indeed, to hold otherwise would result in a myriad of patents monopolizing all the processes in which a new composition of matter could be used. For example, the development of powdered re-emulsifiable milk would have opened the doors to opportunists to patent the steps of every worthwhile food-processing technique in which liquid milk had been used as an ingredient. Bakers, for example, would then find they could not substitute powdered milk in a recipe hundreds of years old, though the powdered milk was invented as a substitute. Similarly, the development of a new cement would stimulate freeloaders to patent the process of using that cement to lay bricks, to set tile, to build

concrete structures, and on and on. Clearly, patent protection cannot be awarded to all who jump to apply a newly-developed material to its intended uses. The creation in these situations lies in the new ingredients, not in applying the ingredients to prior processes.

The argument in the last-preceding paragraph has considered claims 8, 9 and 10 as though they recited a *new material*, used in an old process. Such claims would not be patentable. However, in fact, these claims *do not even include a new material!* The mortar recited in the claims is clearly disclosed in the Spillmann patent, as considered. Thus, the claims define an old process employing an old material. The public cost of monopoly for the claimed processes cannot be justified. The claims are invalid in law and in all public interests.

C. Commercial Success Cannot Sustain the Validity of Patent 2,934,932 in View of the Total Anticipation.

A large measure of the evidence presented during the trial of this case was directed to the question of commercial success, and was asserted with the objective of supporting the validity of the patent 2,934,932. However, that evidence is *totally immaterial* in view of the complete anticipation of the mortar mixes by prior art references, *Farr v. American Air Filter Company, Inc.* (9th Cir. 1963), 318 F. 2d 500, 137 U.S.P.Q. 627. The evidence should not have been considered. It does not merit further consideration. In evaluation, peripheral considerations cannot support a patent lacking a basis of invention. A recent case considers the

“. . . presumption of validity arising from the issuance of the patent, commercial success, copy-

ing, and market demand. The law appears to be clear that such factors cannot make patentable a patent which is invalid for lack of invention.” (citing *Graham et al. v. John Deere Co. et al.* (1966) 383 U.S. 1), *Brunswick Corporation v. Columbia Industries, Inc.* (C.A. 9, 1966), 362 F. 2d 172, 175, 150 U.S.P.Q. 83.

D. The Patent 2,934,932 Was Procured by False and Misleading Statements to the Patent Office Documented by the File History.

The Council has urged that the presumption of validity attendant issued patents should be supported in view of the prior art cited by the Patent Office. The Spillmann patent [Ex. J] applied above as primary prior art was not considered by the Patent Office Examiner in the prosecution of United States Patent 2,934,932. In those instances where such an anticipatory reference is not before the Patent Office during the examination period, any remaining shadow of the presumption of validity is dissipated. *Rohr Aircraft Corporation, et al. v. Rubber Teck, Inc. et al.* (9th Cir. 1959), 266 F. 2d 613, 121 U.S.P.Q. 241.

Although the Spillmann patent [Ex. J] was not cited in the prosecution of patent 2,934,932, it is recognized that a very pertinent reference, patent 2,700,615 to Heijmer [United States equivalent of British patent 696,965, Ex. B] was considered in the prosecution of this patent. The Heijmer patent [Ex. B] discloses a recipe of ingredients which falls within the scope of the patent in suit. This fact was established by the Council's expert [Tr. 1375].

An explanatory basis for the fact that the patent did issue, is provided by the false and misleading

statements made to the Patent Office to distinguish the prior references. These statements are of record, completely documented in the patent prosecution file history [Ex. AB]. A patent is invalid if false and misleading statements are asserted to the Patent Office in the procurement thereof. *Precision Instrument Manufacturing Company v. Automotive Maintenance Machinery Company*, 324 U.S. 806 (1945), 65 U.S.P.Q. 133; *Hazel-Atlas Glass Company v. Hartford-Empire Company*, 322 U.S. 238, 61 U.S.P.Q. 241 (1944).

During the prosecution of the suit patent 2,934,932 the prior patent 2,700,615, Heijmer [Ex. B] was cited by the Examiner as a ground for initially rejecting the claims. The Heijmer patent discloses the ingredients: Portland cement, sand, and methylcellulose in combination as a mortar. In fact, with a single ingredient modification, as taught by the patent itself, one exemplary recipe of the Heijmer patent clearly falls within the range of the suit patent, as stated in testimony (quoted below) by the Council's patent expert.

The Heijmer patent discloses the use of both "methylcellulose" and another cellulose ether, "ethylcellulose" in cementitious mortars. Specifically, the Heijmer patent states:

"Suitable cellulose derivatives for use in connection with the invention may be selected from a group consisting of water-soluble methyl or ethylcellulose and water-soluble salts of celluloseglycolate." [Ex. B, col. 1].

The patent then proceeds to give two exemplary recipes, one of which falls within the range of the suit patent as stated by the Council's patent expert:

" . . . If you are asking me, if *methyl cellulose* were to be placed here in place of *ethyl cellulose*, then I would say that this composition falls within the range of compositions given in the '932 patent." [Tr. 1376] (Emphasis added).

Facing the formidable teachings of the Heijmer reference, in prosecuting their patent, the Council eliminated recitations of "chalk" and "limestone" from the claims then being urged, and argued:

"Heijmer's plaster *must contain chalk* and may also contain pumice. They are not intended as mortars for setting tile or masonry and are not usable as such." (Emphasis added) [Ex. AB, p. 25, line 24].

The record indicates that the Patent Office accepted this distinction and searched for disclosures of prior mortars including: Portland cement and methylcellulose, *but* with no limestone or other aggregate.

The Patent Office located such mortar recipes and the Council then faced the burden of distinguishing such prior art. At this stage of the prosecution, the Heijmer patent was in the background, the case had been transferred to another Examiner, and the mortar recipe that now had to be distinguished did *not* include sand or limestone. Under these circumstances, the Council totally reversed their position, now stating that sand or *limestone was a necessary ingredient* of the mor-

tar. These ingredients were added to the claims, distinguishing the current references under the factual assertion:

“the claims remaining in the present application all recite sand or limestone, the ingredient *necessary* for mortar.” [Ex. AB, p. 35, line 22].

The two-time separated assertions are conflicting statements of fact, specifically:

- (1) the mortar (for which a patent is sought) is *not usable if it contains chalk!*
- (2) The mortar (for which a patent is sought) *must include sand or limestone!*

The Council's expert established the identity of “chalk” and “limestone”. [Tr. 288]. As the two arguments are diametrically opposed, one is necessarily *false* and was asserted for the purpose of obtaining a patent. False and misleading statements were made to the Patent Office to secure the asserted patent 2,934,932. *A ruling to that effect is respectfully requested!*

2. Patent Number 2,990,382.

A. The Suit Patent 2,990,382 Is Anticipated by Prior Patents.

Claim 1 of patent 2,990,382 is somewhat representative, and states:

“A composition capable of being mixed with water to form a mortar and comprising a hydraulic cement as its principle ingredient and the following ingredients in percentages based on the weight of the cement:

methylcellulose having a viscosity between about 80 and 6000 centipoise in 2% solution, about 0.252 to 6% and re-emulsifiable polyvinyl acetate, about 1 to 11%.”

The term “emulsion” is defined in Webster’s *Third New International Dictionary* (1961) as “an intimate mixture consisting of a semi-solid or solid (as a resinuous or bituminous material) dispersed in a liquid.”

“Re-emulsifiable” as used in the claim describes a powder which, on being added to water, becomes suspended or dispersed to provide an emulsion. The process for producing the powder is described by its inventor in U. S. Patent 2,800,463 [Ex. G]. The simple basic question in considering invalidity of the asserted patent is: whether or not using the newly-developed, dry or powdered form (re-emulsifiable) of polyvinyl acetate in a mortar mix is a patentable distinction over using liquid polyvinyl acetate in which the small particles are carried in water. This question was considered by the Patent Office and initially answered in the negative:

“The primary reference prepares compositions comprising Portland Cement, sand, methylcellulose and a polyvinyl acetate emulsion. To utilize a spray dried emulsion in place of the emulsion of the primary reference would not amount to invention in view of Robinson.” [Ex. ZZ, p. 19].

“The primary reference” referred to by the Examiner is an Australian Spillmann patent 166,556, which is the equivalent of the English Spillmann patent [Ex. J] considered previously herein. The natural query arises: why, then, did the Patent Office deviate from their position and grant the patent?

As evident from the prosecution file history of the patent [Ex. ZZ], it was granted because the Patent Office lost sight of the “primary reference.”

Preliminary to analyzing the file history, it is worth while to consider further the term “re-emulsifiable poly-vinyl acetate.” In the manufacturing of the milky-white poly-vinyl acetate (recognized as the widely-used white Wilhold glue), exceedingly-minute droplets are produced as tiny solid particles suspended in a liquid emulsion [Tr. 817]. That form of the glue or emulsion is often used; however, for convenience in storing, transporting and using the substance, it can be converted into a powder by spray drying in accordance with the process disclosed in U. S. Patent 2,800,463 [Ex. G]. The reasons for converting the liquid polyvinyl acetate material into a powder (re-emulsifiable) are precisely the same as the reasons for converting liquid milk into a dry powder; *i.e.*, storage, shipping, and so on. The alleged invention of the asserted patent resides merely in substituting the newly-discovered (by another) *powder* polyvinyl acetate (rather than the previously well-known liquid form) in an old mortar mix with no change in function or result.

The claimed development is analogous to substituting powdered milk as a coffee whitener in place of liquid milk. It clearly falls far short of the standard of invention requisite to support a patent. Hundreds of persons (not skilled in any art) undoubtedly tried powdered milk in their coffee immediately upon its availability. The substitution in mortar mixes of newly-available dry polyvinyl acetate for the liquid form was fully as obvious to persons long accustomed to using liquid polyvinyl acetate in cementitious mortars. In fact

the use is contemplated by patent 2,800,463 [Ex. G] which was granted on the process for making powdered (re-emulsifiable) polyvinyl acetate as follows:

“As will be evident to persons skilled in the art, my powdered product can be utilized in various other ways in which powdered resins have heretofore been employed. Thus, the powdered resin can be mixed with various other types of resins; and also with fillers, extenders, plasticizers, etc., to adapt it for use for particular purposes.” (Column 4, line 68).

The mortar covered by the asserted patent (including the powder polyvinyl acetate) involves a mere change of material, pure and simple. A patent for such a feeble and non-inventive development is invalid. *Great Atlantic & Pacific Tea Company v. Super Market Equipment Corporation*, 340 U.S. 147, 71 S. Ct. 127, 84 U.S.P.Q. 209; *Dresser Industries, Inc. v. Smith-Blair, Inc.* (9th Cir. 1963), 322 P. 2d 878, 139 U.S.P.Q. 1; *Graham et al. v. John Deere Company et al.* (1966), 383 U.S. 1, 148 U.S.P.Q. 459.

A relatively-recent opinion of this Court effectively summarizes the instant situation:

“It is not necessary to delve deeply into this refinement to perceive that, in any event, the advance is one in degree rather than in kind. And that plainly is not enough to constitute a patentable advance. For *Lincoln Engineering Co. v. Stewart Warner Corporation*, 303 U.S. 545, 549-550, 337 USPQ 3 (1938) teaches us that * * *

the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination.” *The Troy Company v. Products Research Company* (9th Cir. 1964), 339 F. 2d 364, 367; 144 U.S.P.Q. 51.

The action by the Patent Office in granting patent 2,990,382 in view of the Spillmann reference is offered below merely as an explanation. Initially, the Patent Office’s position was summarized:

“To utilize a spray dried emulsion in place of the emulsion of the primary reference would not amount to invention. . . .” [Ex. ZZ, p. 19.]

Thereafter, the Council asserted that the primary reference (Spillmann Australian Patent) is directed to a *paint* rather than a *mortar or plaster*. Specifically, the following statement was made to the Patent Office:

“The subject matter both of Robinson and the Australian patent is that of waterbased cement paints.” [Ex. ZZ, p. 22].

Actually, the Spillmann patent provides two specific recipes. The first is directed to a paint. However, the second recipe is a *mortar* for use in plastering and falls precisely within the claims of the patent in question.

The patent file history indicates the contention that the Spillmann patent discloses a paint (rather than plaster or mortar) was eventually successful to procure the patent. Specifically, after unsuccessful amendments, the Council filed *four* requests for reconsideration, then appealed the patent application and filed a

brief. The appeal was never decided. Rather, from the history, after an informal negotiation, the appeal was dismissed and the patent was granted. The Patent Office erred in granting the patent and the presumption of validity cannot be supported. Patent 2,990,382 is clearly invalid.

B. The Method Claims of Patent 2,990,382 Are Invalid Because No Novel Method Steps Are Recited.

The process or method claims 7, 8, 9 and 10 of patent 2,990,382 are directed to combining dry ingredients before adding water. The claimed development is analogous to stirring together powdered or instant coffee, sugar and powdered milk before adding hot water. The existence of a patent on such a method or process is completely untenable.

Admitted fact 41 of the Pre-Trial Conference Order states:

“The process of manufacturing a composition capable of being used with water to form a mortar composition, comprising mixing ingredients in a dry state, was known and used by others in this country prior to 1956.”

The identical law invalidating the process claims of the other suit patent (2,934,932) is applicable to these claims. The process is: mixing dry ingredients! The process is void of invention; the claims defining the process are invalid.

Specifically, representative claim 7 of patent 2,990,382 states:

“7. The method of manufacturing a composition capable of being mixed with water to form a mortar composition, comprising mixing in the

dry state, a hydraulic cement, methyl cellulose having a viscosity between 80 and 6000 centipoises in 2% solution in an amount from about 0.25 to about 6% by weight of the hydraulic cement, and reemulsifiable polyvinyl acetate in an amount from about 1 to about 11% by weight of the hydraulic cement.”

If the specific materials are replaced in the claim by several dry materials, the claim simply becomes:

The method of manufacturing a composition capable of being mixed with water to form a mortar composition, comprising mixing in a dry state several dry materials.

Stripped to the actual process which it covers, by the elimination of particular materials or apparatus, the claim lies clearly within the scope of prior art as admitted by the Council. A process patent on the process of merely combining dry ingredients cannot be sustained as valid.

3. The Accused Products.

A. The Accused Products Do Not Infringe the Claims of Either Patent Because the Products Are From the Prior Art.

None of the accused products contain methylcellulose. Rather they contain Dow Chemical Company's "Methocel HG," (hydroxypropyl methylcellulose). Therefore none of the accused mortar mixes literally infringe either of the patents because *all* the claims recite "methylcellulose" as a necessary ingredient. The claims alone provide the standard against which infringement is to be determined in the first instance. *Nelson v. Batson* (9th Cir. 1963), 322 F. 2d 132, 138 U.S.P.Q. 552.

In the absence of literal infringement of claims, the question of equivalents must be considered. The degree to which a patent monopoly can be expanded by the doctrine of equivalents has been the subject of considerable judicial consideration. The determination may be made by considering *the state of the prior art*, the significance of any contribution of the claimed invention and the similarity between the claimed and the substituted ingredients. *Moon et al. v. Cabot Shops, Inc. et al.* (9th Cir. 1959), 270 F. 2d 539, 543, 123 U.S.P.Q. 60.

In the present situation, the prior art *conclusively resolves against applying the doctrine of equivalents*. The particular cellulose ether (hydroxypropyl methylcellulose) used in the accused mortar mixes was proposed for use in mortars *long prior* to the suit patents. The doctrine of equivalents cannot expand the suit patents to include the accused mortar mixes which have clear antecedent in prior patented art. *Air Devices, Inc. v. Air Factors, Inc. et al.* (9th Cir. 1954), 210 F. 2d 481, 100 U.S.P.Q. 296.

A United States patent 2,629,667, Kaveler [Ex. P] is prior to either of the suit patents and discloses a recipe for a mortar including: aggregate, Portland cement, and a particular type of cellulose ether. The following testimony establishes that the particular cellulose ether specified in the Kaveler patent [Ex. P] coincides with the cellulose ether hydroxypropyl methylcellulose (identified by the Dow Chemical Company designation "Methocel HG") employed in the accused mortar mixes.

"Q. Are you familiar with the Dow Chemical Methocel products, Dr. Stone? A. Yes.

Q. Are you familiar with the Dow Chemical products which are marketed under the trade name Methocel HG? A. Yes, I am.

Q. How does the cellulose ether which you have described, as taught in the patent, Exhibit P, and explained on Exhibit BJ for identification, compare with the Dow Methocel HG? A. The Methocel HG products are *mixed ethers* of cellulose, methyl hydroxypropyl, and, based on my reading of this, they would be encompassed within this patent. They are specifically mentioned in column 3, line 68:

‘Compounds covered are methyl, ethyl or propyl, hydroxyethyl, hydroxypropyl or hydroxybutyl cellulose mixed ethers.’ And *these would fall under the methyl hydroxypropyl mixed ethers.*” (Emphasis added.) [Tr. 789].

This unchallenged statement by an unchallenged expert appears conclusive. However, the testimony continues, emphasizing the identity of the cellulose ethers of the Kaveler patent and the ingredient employed by Tilers Supply.

THE WITNESS: Let me see if I can clarify it, your Honor.

He asked me about the Dow Methocel HG products.

THE COURT: Yes.

THE WITNESS: These are a group of products that are designated Methocel HG by the Dow Chemical Company.

THE COURT: What are those products?

THE WITNESS: Those products are all mixed ethers of cellulose. They are methyl hydroxypropyl cellulose ethers.

THE COURT: *Methyl hydroxypropyl ethers* are described on page 3, or are mentioned on page 3 of the Kaveler patent—column 3 of the Kaveler patent.

THE WITNESS: Right.

THE COURT: What is the substitution of the Dow Chemical HG product?

THE WITNESS: The substitution varies depending—this is how they designate different grades. The substitution, generally, the methyl substitution, is a DS level of something between 1 and perhaps 2—broad range.

THE COURT: The degree of substitution?

THE WITNESS: Pardon?

THE COURT: The degree of substitution, when you refer to 1 to 2?

THE WITNESS: This goes back to the number of methyl groups. When we say 1, this means approximately 33 per cent of the available hydroxyl groups are substituted with methyl; a DS of 2, approximately 67 per cent are substituted with methyl. The methyl substitution in the Dow products is in that general range. And the hydroxypropyl substitution is somewhat less than that, being anywhere from, say, 1 or 2 up to about 10 or possibly 15 per cent of the hydroxyl groups—.

THE COURT: Well, the Dow product degree of substitution is 1 to 2 of the methyl?

THE WITNESS: Right.

THE COURT: And what is the rest of it?

THE WITNESS: The hydroxypropyl substitution is somewhere between 1/10 or lower, and, say 3/10ths.

THE COURT: Then that would be, instead of 1 to 3, it would be .1 to .3?

THE WITNESS: .3.

THE COURT: Proceed.

BY MR. NILSSON:

Q. *Are those degrees of substitution within the range as specified in the Kaveler patent, Dr. Stone?* A. *They are.*

Q. I believe you used the term—we have used both the terms methyl hydroxypropyl cellulose and hydroxypropyl methyl cellulose. Would you clarify that, if there is any distinction there? A. No. I will try to clarify it. There is no distinction. In general, good nomenclature calls for naming the simplest group first. *So we say methyl ethyl cellulose or methyl hydroxypropyl cellulose.* But chemists are careless and flip these back and forth. But I think any other chemist would understand if somebody said methyl hydroxypropyl cellulose instead of hydroxypropyl methyl cellulose. It is also *the same material.*

Q. *Dr. Stone, does the Kaveler patent teach the use of this form of a cellulose ether in a mixture of cement and sand?* A. *It does.*

(Emphasis added). [Tr. 790-793].

The above testimonial passages clearly establish that Dow “Methocel HG” (as used in the accused products) is a mixed ether, not only distinctly different chemically from methylcellulose (a simple ether) but more significantly, as an ingredient of mortar mixes including sand and Portland cement *which were patented long prior* to the time of the patents here in suit.

The testimony of the unchallenged expert, Dr. Stone, establishes the fact. However, an independent,

detailed documentation of the prior teaching is also set forth below (in summary form).

The Kaveler patent 2,629,667 [Ex. P] discloses a mix “useful in grouting in general” (column 2, line 8) which is precisely the class of mortars covered by the asserted patents (patent 2,934,932 column 1, line 3). Manufacture of the accused products is effectively described in the Kaveler patent [Ex. P] by the following statement:

“In preparing the slurry the dry ingredients comprising hydraulic *cement*, with or without the usual additives, the inert filler material, such as *sand or crushed limestone*, and the alkyl hydroxyalkyl *cellulose mixed ethers* where the alkyl group contains 1 to 4 carbon atoms and the hydroxyalkyl group contains 2 to 4 carbon atoms may be mixed together and later mixed with water, . . .” (Emphasis added.) [Ex. P, column 2, line 19].

In analyzing the above quotation, an initial question is: whether or not “hydraulic cement” includes Portland cement as used in the accused products. This question is resolved in the affirmative by another statement from the prior patent:

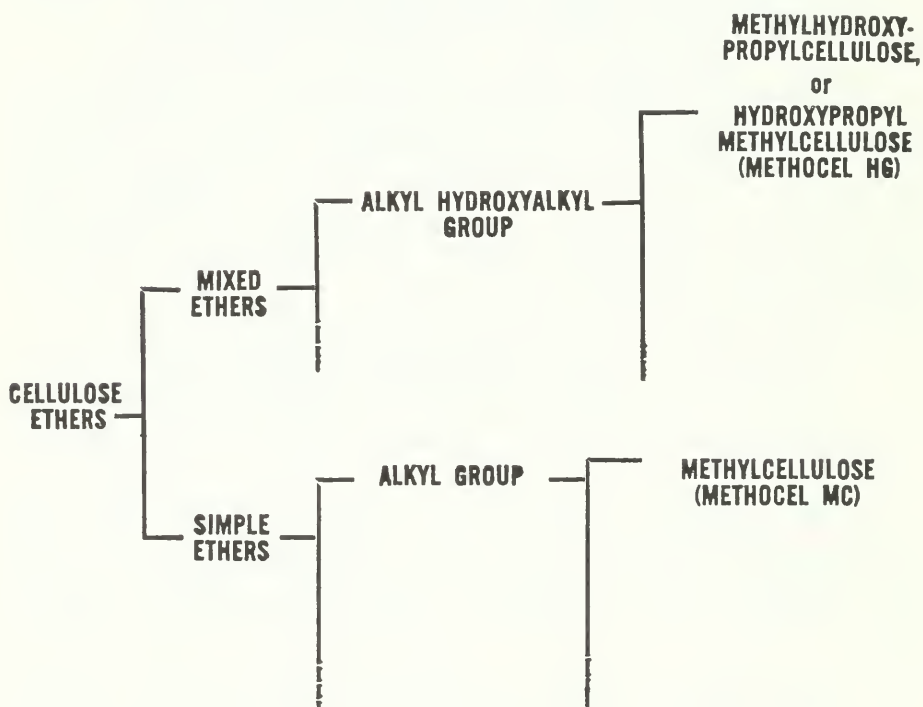
“Hydraulic cements include hydraulic lines (*sic*), grappier cements, puzzalan cements, natural cements, and Portland cements.” [Ex. P, column 2].

In this manner, Exhibit P clearly teaches the use of Portland cement, sand and crushed limestone with the addition of a particular type of cellulose ether, *i.e.*

“alkyl hydroxyalkyl cellulose mixed ethers where the alkyl group contains 1 to 4 carbon atoms and the hydroxyalkyl group contains 2 to 4 carbon atoms, . . .” [Ex. P, column 1].

The patent states the quantity of the cellulose ether shall be between 0.05% to 5% but preferably about 1% by weight of the weight of the dry cement [Ex. P, column 1, line 54]. That amount is precisely within the range specified in each of the suit patent claims as well as covering the accused products.

The only remaining question is: whether or not the cellulose ethers specified in Exhibit P include the same specific cellulose ether, employed in the accused products (identified by the trademark "Methocel HG", manufactured by the Dow Chemical Company)? This was established by testimony of Dr. Stone (quoted above) and also by Dow people in deposition testimony. The following classification chart may afford some help in considering the evidence pertinent to these cellulose ethers.



Initially, the basic distinction between the Dow products “Methocel MC” (methylcellulose) and “Methocel HG” (hydroxypropyl methylcellulose) is borne out by testimony of a Dow Chemical Company executive, Mr. Richard Swinehart, who among other activities at the Dow Chemical Company has been the Director of Research of the Cellulose Laboratory and Superintendent of Manufacture of Methocel. His deposition testimony was:

“Q. Are you familiar with products manufactured and sold by the Dow Chemical Company designated by the trademark Methocel and specifically its designation, Methocel MC and Methocel HG? A. I am.

Q. What is the chemical name of the product Methocel MC? A. Methylcellulose.

Q. What is the chemical name of the product Methocel HG? A. It is methylhydroxypropylcellulose.” [Ex. AE, p. 5]. * * *

“Q. Now, you state whether or not methylcellulose and hydroxypropylmethylcellulose belong to different chemical groups? A. They are different chemically.

Q. Do they belong to different chemical groups? Are you familiar with the chemical group alkyl cellulose? A. They are different in regard to this term, yes.

Q. Would you explain to me how they are different? A. Well, the alkyl group—methylcellulose belongs to the alkylcellulose grouping and the hydroxypropylmethyl belong to the alkylhydroxy alkyl groupings, by this reference.” [Ex. AE, p. 11].

This testimony thus states the difference between "Methocel HG" and "Methocel MC", and establishes "Methocel HG" as hydroxypropyl methylcellulose or as it is sometimes referred to, methylhydroxypropylcellulose (with the component word parts rearranged). The testimony also establishes the "Methocel HG" (used in the accused products) as an alkyl hydroxyalkyl cellulose as identified in Exhibit P.

The only question remaining is whether or not the Dow Methocel HG cellulose ether (used in the accused product) is, as specified in the prior patent [Ex. P] a,

"mixed ether where the alkyl group contains 1 to 4 carbon atoms and the hydroxyalkyl group contains 2 to 4 carbon atoms."

Referring again to Mr. Swinehart's testimony:

"Q. Now, with respect to Dow Methocel 65-HG, is that product an alkyl hydroxy alkyl cellulose mixed ether in which the alkyl group contains 1 to 4 carbon atoms and the hydroxy alkyl group contains 2 to 4 carbon atoms? Shall I repeat the question? A. I believe I have it, yes.

Q. Your answer to the question is yes? A. Yes." [Ex. AE, pp. 7-8; Emphasis added].

The identity is even more conclusively established by the testimony of Mr. Greminger, an authority on cellulose ethers employed by the Dow Chemical Company, testifying in deposition as follows:

"Q. Mr. Greminger, you have indicated a presentation for hydroxypropyl methylcellulose on Exhibit AH. Is that material a simple or a mixed ether? A. This would be considered a mixed ether.* * *

Q. Referring to Exhibit AH, will you tell us how many carbon atoms are in the alkyl group?

A. There is one.

Q. Referring to the same exhibit will you tell us how many carbon atoms are in the hydroxyalkyl group? A. There are three.” [Ex. AD, pp. 22-23].

The direct quotations from deposition testimony and Exhibit P conclusively establish that the accused mortars were patented to Kaveler *long* prior to the applications for the patents in suit. Therefore the defendant has not infringed the suit patents, but on the contrary *has operated under a considerably-earlier patent.*

B. The Accused Products Could Not Have Been Copied From the Patentee and the Finding to That Effect Is Unsupported.

On the basis of finding that Tilers Supply copied the accused products from the Council, the District Court awarded costs in this action, and referred the case to a Master for a determination of whether or not damages shall be increased. The Finding not only is unsupported by the evidence but additionally the fact found could not have occurred! Tilers Supply *could not have copied a recipe that the Council did not know.*

The District Court below made a specific finding [R. 141, No. 33] to the effect that Defendant copied the accused products from Plaintiff. The compositions which Tilers Supply has been found to have copied would of necessity be a mixture of *sand or limestone, methylcellulose and Portland cement* in certain propor-

tions, because that is what the patents cover. However, Tilers Supply could not have copied the mixture because:

1. The Council *did not appreciate the necessity of sand* in the composition until long after Tilers Supply was making and selling the accused mortar mixes;
2. The Council preserved all formulas and related information *in complete secrecy* until patents thereon issued, and Tilers Supply sold the accused mortars long before the earliest of patents in suit issued.

To consider the pertinent events chronologically, Tilers Supply published (under the authorship of its principal officer, Mr. Knesel) a series of articles on mortars which Tilers Supply were introducing to the market. Those articles were published in "The Tile Magazine" [Ex. 11] beginning in January, 1958. The only evidence offered by the Council to support the allegation of plagiarism is testimony by the patentee of the patents in suit to the effect that the published articles described accomplishments similar to what the Title Council and he were working on. Specifically, the testimony is as follows:

"Q. I refer you, Dr. Wagner, to two short passages in Exhibit 11, the first stating, 'During this latter period research was going on to find a cement based product that would possess all of the properties desired for a thin-set cement mortar.' And, at the very last of the indicated part, toward the end of the article, 'Through valiant research it appears that most of these questions have been answered.'

Now, in this article was Mr. Knesel speaking about the TCA development of dry-set mortars?

MR. NILSSON: Objection. Outside the scope of the witness' knowledge.

MR. PINE: Well, I am going to ask him next, after he answers, what the basis for his answer is. And it will be based on facts to the extent that he knows.

THE COURT: Does he have some personal knowledge?

I think that the question could be rephrased, 'Based upon your scientific opinion, is this the type of work that is referred to in this article that you were doing,' something like that.

MR. PINE: Thank you very much, your Honor.

Q. Dr. Wagner, was this the type of work that you were doing in this field? A. Yes, it was exactly that type.

Q. And do you know, Dr. Wagner, of anyone else in the United States who did make developments in this field who utilized a scientific approach such as is described here? A. No. I know of no such person." [Tr. 167-168].

The conclusion of plagiarism from this testimony is ludicrous! The testimony is not probative of copying, but merely states that the witness recognized a *description of work similar to his* and states that he was not aware of any similar work in the United States, which utilized what he terms a "scientific approach."

tions, because that is what the patents cover. However, Tilers Supply could not have copied the mixture because:

1. The Council *did not appreciate the necessity of sand* in the composition until long after Tilers Supply was making and selling the accused mortar mixes;
2. The Council preserved all formulas and related information *in complete secrecy* until patents thereon issued, and Tilers Supply sold the accused mortars long before the earliest of patents in suit issued.

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Although the Council had at that time (January, 1958) filed the application for the patent 2,934,932 neither the Council nor the individual applicant then recognized that sand or limestone was a necessary ingredient of the mortor recipies as eventually patented. This lack of appreciation is clearly borne out in Exhibit AB, the prosecution file history of the patent, specifically on page 22 where the subject matter of the patent application is said to reside primarily in a "dry-mix mortar composition without sand or limestone."

As a matter of public record, this assertion was made to the Patent Office early in June, 1958. Some six months after Tilers Supply had published articles describing developments manifest in its new products, the Council still did not know that sand or limestone was a requisite ingredient to the development. If the Council did not yet appreciate the ingredients of their "development" and further had not disclosed such, it is inconceivable that Tilers' Supply could have copied such developments from Council.

Further conclusive of the absence of any copying on the part of Tilers Supply from the Council is indicated by the testimony of Mr. Goodrich representing a member of the Tile Council and being personally active in the Council and a previous member of the Council's research committee at the time referred to, who testified that the Council's information was preserved in secrecy, as follows:

"We never allowed anyone to disclose this information by our staff to even the members of the research committee. The only information that we got on this was when our patents were issued and they became public knowledge." [Tr. 39].

The first of the suit patents therefore was preserved in secrecy until May 3, 1960. At that time, Tilers Supply had been making and selling the accused products as described in the published articles for over two years.

C. The Award of Costs and Consideration of Increased Damages Is Unsupported.

The Court concluded that the accused products represented a deliberate and wilful infringement of the asserted patents [R. 162, Concl. 41] and instructed that a Master may recommend increased damages. The conclusion is based on a finding of deliberate copying by Tilers Supply. No substantial evidence exists to support the Court's judgment and both the finding and the conclusion are in error.

The finding of copying has been considered in the previous section which is submitted to establish two aspects. First, Tilers Supply products simply could not have been copied from the Council because the Council did not realize the necessity of *sand* or *limestone* in such formulations until long after Tilers Supply introduced the products on the market. Second, the evidence offered to support a finding of copying is sorely lacking. The evidence on this point is not in conflict, however, it establishes only that the parties were both active in the same technical area. A conclusion that one of the parties copies from the other certainly is not supported by such evidence. Indeed, if any inference is to be drawn, it would logically be that the Council copied from Tilers Supply who was first to publish and first to produce for the market.

As Tilers Supply did not copy (willful or otherwise) their formulations from the Council, no basis for a

recommendation to consider increased damages can be found. In this regard, recent case effectively summarizes the law on this point as follows:

“Assuming that before the Court can increase the amount of actual damages for infringement under Title 35, United States Code, Section 284, it must find wilfulness,¹ McCulloch asserts that the word ‘wilfulness’ has had a definite meaning attached to it by the decided cases.

The courts have struggled with the word ‘wilful’ not only in patent cases but in criminal cases as well. See the leading case on the subject of *Murdock v. United States*, 390 U.S. 389, 393-396 (1933).

The many cases touching on awards of additional damages under 35 U.S.C. 284, range in their expressions as to what will support such an award, from faithful copying, and lack of ‘good faith’ [*Coleman v. Holly*, 9 Cir. 1959; 269 F.2d 660, 122 USPQ 559], to fraud [*Armstrong v. Emerson*, S.D. N.Y. 1959, 179 F.Supp. 95, 123 USPQ 133], oppressive conduct [*Laskowitz v. Marie*, S.D. Cal. 1954; 119 F.Supp. 541, 100 USPQ 369], and where validity and infringement are not open to ‘honest doubt’ [*International Mfg. v. Landon, Inc.* (9 Cir. 1964), 336 F.2d 723, 142 USPQ 421, cert. den. 379 U.S. 988, 144 USPQ 780.].” *McCulloch Motors Corp. v. Oregon Saw Chain Corp.* (S.D. Cal. 1965), 245 Fed. Supp. 851, 856, 147 U.S.P.Q. 175, 186.

It is submitted that no evidence exists to establish any of the criteria recited. Tilers Supply did not copy faithfully or otherwise. In this regard, it is note-

worthy that Tilers Supply products contain several ingredients foreign to the patented recipes. Tilers Supply was in no manner fraudulent. The questions of *validity* and *infringement* were (and remain) in very serious doubt. Therefore, it is respectfully submitted that the conclusion to consider increased damages is unsupported and erroneous.

Conclusion.

For the reasons stated, it is respectfully submitted that the District Court's injunction and damage award, based on adjudging the asserted patents valid and infringed, be reversed, and the cause remanded with instructions that the patents are invalid and not infringed.

Respectfully submitted,

NILSSON, ROBBINS & ANDERSON,
By B. G. NILSSON,
Attorneys for Defendant.

Certificate.

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those Rules.

BYARD G. NILSSON.

APPENDIX.

Table of Exhibits.

<u>Exhibit</u>	<u>Identified</u>	<u>Offered</u>	<u>Received</u>
B	475	475	475
G	475	475	475
J	475	475	475
P	475	475	475
AB	485	485	485
AD	903	904	904
AE	903	904	904
AH	Deposition Exhibit of Exhibit AD		
BJ	786	823	823
ZZ	484	485	485
11	162	164	164
15	96	97	97

